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O 062238Z MAR 07  
FM AMEMBASSY GUATEMALA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2080  
INFO RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 3602  
RUEHTG/AMEMBASSY TEGUCIGALPA PRIORITY 2152  
RHMFIUU/CDR USSOUTHCOM MIAMI FL PRIORITY

UNCLAS GUATEMALA 000469

SIPDIS

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SENSITIVE

E.O. 12958: N/A

TAGS: [KTIA](#) [MASS](#) [MOPS](#) [KPKO](#) [PREL](#) [EAID](#) [AFIN](#) [GT](#)  
SUBJECT: GUATEMALA: AMENDMENT TO DIPLOMATIC NOTE ON  
CONSTRUCTION AT COBAN REGIONAL PEACEKEEPING CENTER

1. (U) This is an action request. See paragraph 3.

2. (SBU) Per previous consultations between PM/PPA and U.S. MILGP Guatemala, post needs to amend a previous diplomatic agreement concerning U.S. Army Corps of Engineers support for the renovation of the Guatemalan Army Regional Peacekeeping Center at Coban, Guatemala. The proposed amendment will ask the GOG to extend tax exemption privileges to all Guatemalan and other third country contractors who are utilizing U.S. funding to participate in this project. This amendment is required to ensure compliance with U.S. legislation that prohibits the expenditure of Foreign Operations funding to pay any host government taxes.

3. (U) Request Department review and approval of the following proposed language for the diplomatic note amendment:

Begin text: (complimentary opening) and has the honor to refer to September 2005 exchange of diplomatic notes between the United States of America and the Government of the Republic of Guatemala concerning the United States Army Corps of Engineers assistance for the renovation of the Guatemalan Army Regional Training Center for Peacekeeping Operations in Coban, Alta Verapaz. The Embassy of the United States of America wishes to propose an amendment to the understanding reached in the above-mentioned exchange of notes.

Noting the longstanding military and technical cooperation between our two governments, including under the Military and Technical Cooperation Agreement between the Government of the United States of America and the Government of the Republic of Guatemala, signed at Guatemala on September 1, 1954, as well as the Military Assistance Agreement between the Government of the United States of America and the Government of the Republic of Guatemala, signed at Guatemala City on June 18, 1955, the Embassy proposes that the United States Army Corps of Engineers may contract for any material, supplies, equipment, and services (including construction) to be furnished or undertaken in Guatemala without restriction as to choice of contractor, supplier, or person who provides such material, supplies, equipment or services. Such contracts shall be solicited, awarded and administered in accordance with the laws and regulations of the Government of the United States of America. Acquisition of articles and services in Guatemala by or on behalf of the United States Department of Defense in connection with activities under this Agreement shall not be subject to any taxes or similar charges in Guatemala.

The Embassy further proposes that exemption from taxes and other similar charges on contracts awarded by the United States Army Corps of Engineers shall include contracts awarded to firms composed of citizens of Guatemala or any other country, and that all local purchases made under these

contracts shall be exempt from payment of value-added tax.

Finally, the Embassy further proposes that our two governments or their designated representatives may enter into implementing arrangements to carry out the provisions of this Agreement.

If the foregoing is acceptable to the Government of Guatemala, the Embassy proposes that this note, together with the Ministry's reply to that effect, shall constitute an Agreement between the two governments, which shall enter into force on the date of the Ministry's note informing the Embassy of the fulfillment of legal requirements by the Government of Guatemala for entry into force of the Agreement. (complimentary closing) End text.  
Derham